Western Cape Government

Department of Agriculture
Vanessa Barends-Jones
Macro and Resource Economics
Vanessa.Barends@westerncape.gov.za | Tel: 021 808 7752

WESTERN CAPE AGRICULTURE, GROSS VALUE ADDED AND INTERNATIONAL TRADE: 2nd QUARTER 2026

1. Introduction

The gross domestic product (GDP) is a key economic indicator that measures the market value of all final goods and services produced in South Africa during a specified period. South Africa's (SA) economic performance in the second quarter of 2026 contracted by 0.2%, reversing an increase of 0.4% recorded in the first quarter of 2026 (StatsSA, 2026). To discuss economic performance in more detail, this report presents an overview of trends in the national GDP and industry-level performance. This is followed by a discussion of the agricultural industry's gross income from major sub-sectors, including the horticultural sector, which is dominant in the Western Cape (WC). Followed by an analysis of the provincial agricultural trade.

2. Provincial GDP performance

Figure 1 depicts the growth trend in Western Cape Province from Quarter 2 in 2024 to Quarter 2 in 2026. Western Cape Province recorded negative growth of -0.44% in Quarter 3 2024; however, it recovered very fast since in Quarter 2 2025 its growth reached the peak at 0.68%. The growth trend decreased between Quarter 3 2025 and Quarter 1 2026 but stayed within the range of 0.19% to 0.42%. Quarter 2 2026 recorded recessionary phase where GDP recorded negative growth of -0.21%.

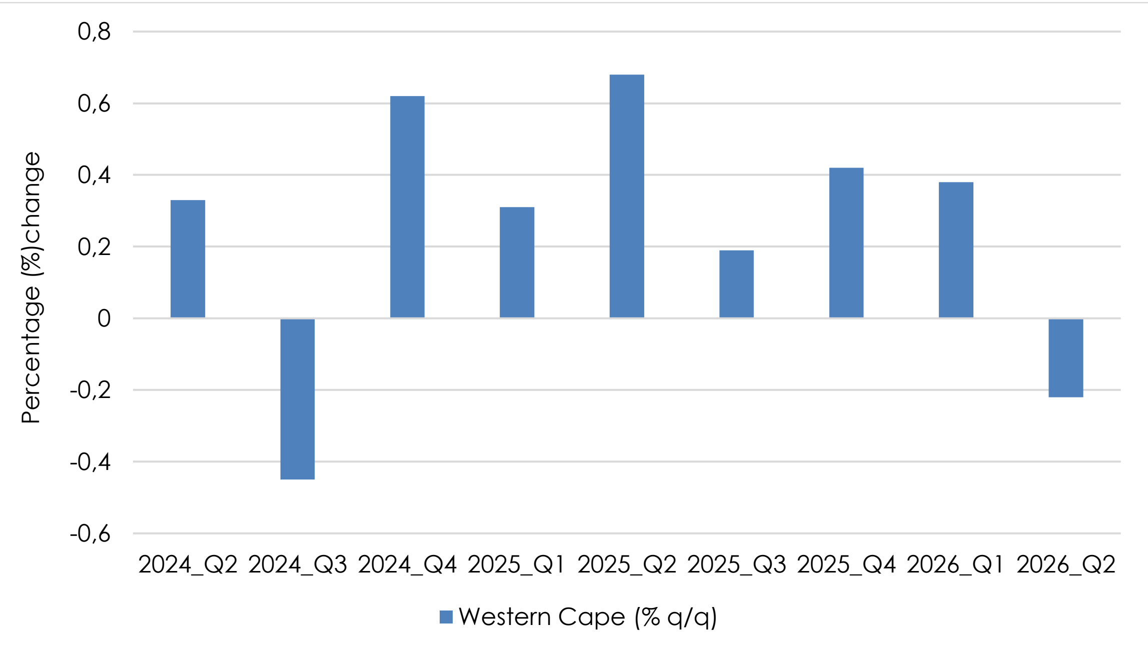

Figure 1: Western Cape's GDP percentage change q/q for the period 2024_Q2 – 2026_Q2
Source: Quantec, 2026

Figure 2 below illustrates the economic performance of the ten sectors of the WC economy from Q2_2025 to Q2_2026. The Q2_2026 contraction in the WC economy was driven primarily by Mining, which declined sharply by -3.2% after two quarters of modest growth, Trade, which reversed from growth of 0.5% in Q1_2026 to a decline of -1.9%, and Manufacturing, which recorded its third consecutive quarterly decline, falling by -1.9%. Agriculture (incl. Forestry and Fisheries) continued to grow, although growth slowed to 0.2% in Q2_2026 from 1.1% in the previous quarter. By contrast, several services sectors held up well: Utilities grew by 1.0% (extending a recovery after declines throughout 2025), Construction grew by 0.6%, Transport grew by 0.8%, and Personal services and General government services grew by 0.6% and 0.8% respectively. Financial services growth slowed to a modest 0.2%. Overall, the sectoral picture points to a broad-based but not universal slowdown, concentrated in trade-exposed and cyclical sectors (Mining, Trade and Manufacturing), while consumer and general government services sectors remained resilient.

Figure 2: Western Cape growth rates: % change quarter-on-quarter (Seasonally adjusted), Q2_2025 – Q2_2026

Source: StatsSA, 2026

Figure 3 illustrates the composition of Western Cape GDP between Q2 2025 and Q2 2026. The makeup of the economy of Western Cape has been stable throughout the year, as Finance services continues to be the dominant industry, accounting for 35% of the GDP both in Q2 2025 and Q2 2026. Other services, including Trade (13%), Transport (11%), Personal services (12%) and General government services (6%) have not changed either during the two quarters. The only industries that have shown any significant changes include Manufacturing services, which reduced from 14% to 13%, and Agriculture, forestry and fishing which increased from 4% to 5% of the total GDP. Mining has still stayed low at almost 0%, given that there are very few mineral resources in Western Cape.

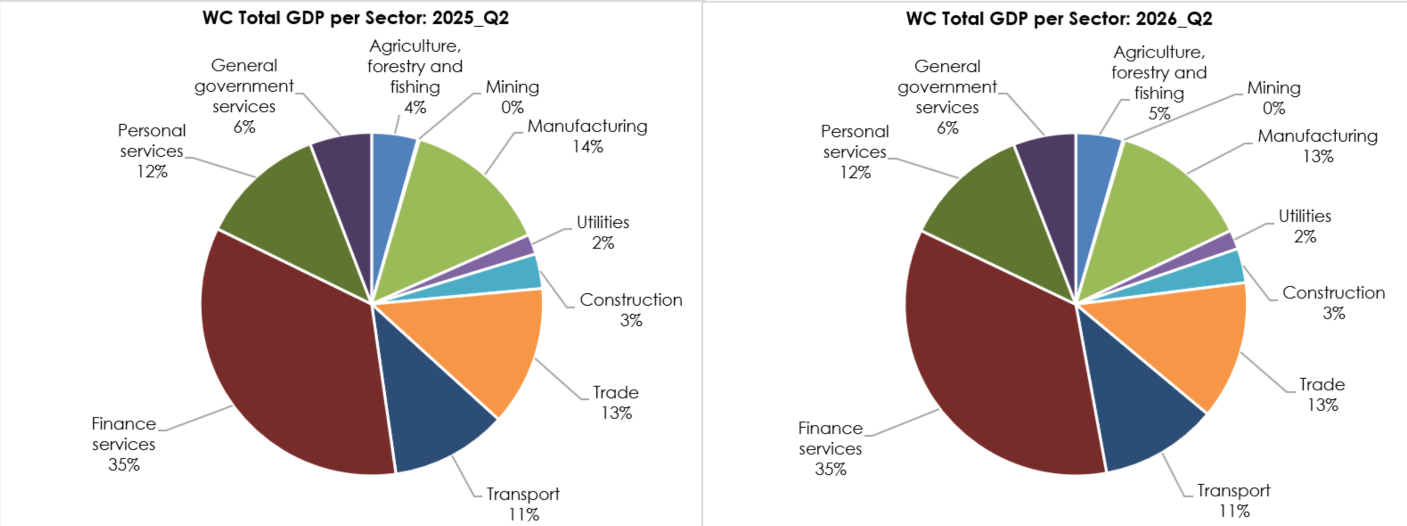

Figure 3: Total WC GDP per sector – 2025_Q2 vs 2026_Q2
Source: Quantec, 2026

3. Agricultural production and trade performance

Figure 4 illustrates the gross income generated in the country's total agricultural activity, which covers the three main categories of agricultural produce: Field crops, Horticulture, and Animal products. The trend of all the subsectors from Q2_2022 to Q2_2026 has been entirely different and provides a complete four-year view of the sector's performance. Animal products have been the most stable subsector, which has been changing in a small margin, with a slight upward trend, which increases from R44 billion in Q2_2022 to R47 billion in Q2_2026.

The subsector changes in a margin of R44 billion to R55 billion quarterly. The horticulture sector has shown an upward trend compared to the other two sub-sectors, as the trend line of the horticulture sector has increased from approximately R29 billion in Q2_2022 to R41 billion in Q2_2026. But at the same time, it does show a fair amount of volatility on a quarterly basis, as the quarterly values are as low as approximately R21-R26 billion in some quarters (2022_Q4, 2023_Q4, 2024_Q4, 2025) whereas some quarters show exceptionally high values above R45-R49 billion.

However, Field crops have remained the most volatile among all three subsectors, with sharp fluctuations between the highs and lows in every quarter. Earnings reached around R65 billion in Q2_2023 and around R63 billion in Q2_2024, falling sharply to levels of around R8-12 billion in the next Q1 quarters (Q1_2023, Q1_2024, Q1_2025, Q1_2026), before rising again in Q2_2026 to about R50 billion – in a repeating pattern. However, despite such volatility in earnings, the linear trend of Field crops' income has remained relatively flat, dropping very slightly over the period from around R36 billion in Q2_2022 to R31 billion in Q2_2026, implying stability of earnings at a consistent level.

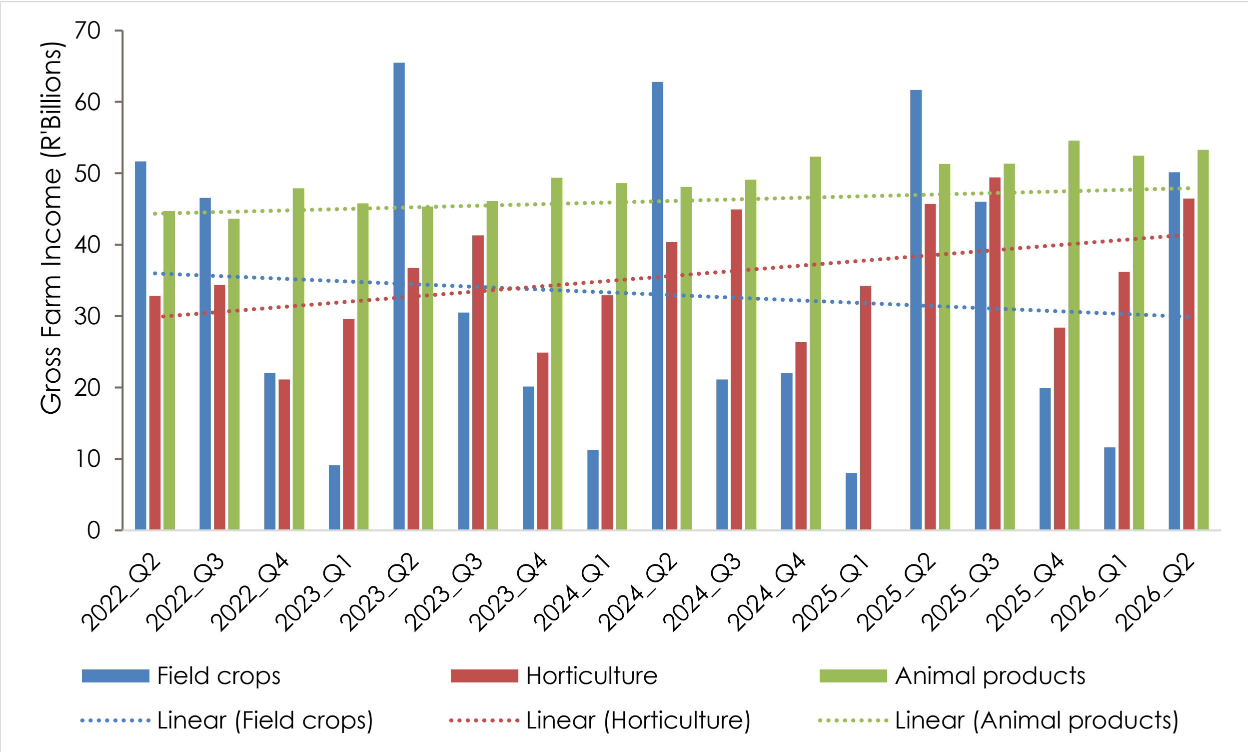

Figure 4: South Africa's nominal agricultural gross farm income from major sub-sectors
Source: DALRRD, 2026

Table 1 summarises the real gross income from horticultural products for SA, also indicating the % change for Q2_2025 versus Q2_2026, based on the most recently available DALRRD release. For the Q2_2026 period in South Africa, the contribution made by the citrus fruits towards the total real gross income from the production of the horticultural products was 38.6% or R17.9 billion, being the largest contributor.

However, there was a reduction of 1.6% for this value, when comparing it to that for Q2_2025. The vegetables contributed 21.4% or R9.95 billion, being the second contributor after the citrus fruits. There was an increase of 4.7% for the value in comparison with Q2_2025.

Subtropical fruits were the highest growing products in percentage terms at 12.9%, although they were growing from a low base of 6.1% of total horticultural value. Viticulture products were the second-highest growers at 9.8%, generating 12.9% of total value, or R6.0 billion. Flowers and Bulbs also had good growth of 7.5% but were also growing from a low base of 1.7%. Both Nuts and Dried fruits demonstrated flat sales with 0% growth relative to Q2_2025 quarter, while Other horticultural products managed to grow slightly by 1.5%. Tea and Rooibos tea demonstrated no income at all during the period under discussion, with 0% growth.

From the above results, the current horticultural season for Q2_2026 is a combination of positive and negative trends for different categories. While the two most valuable horticultural categories, vegetables, demonstrated some growth in their performance, citrus and deciduous fruit, which are more than half of the total horticultural income, have demonstrated negative growths. The small subtropical fruits, viticulture and flowers and bulbs demonstrated the best growth rates for the quarter under discussion.

Table 1: RSA real gross income from horticultural products and (Q2: 2025-2026) % Change

Horticultural Products	Q2_2026 (R'000)	% share of the total	Y/Y % change (Q2: 2025 vs 2026)
Citrus fruit	17 935 747	38,6%	-1,6%
Vegetables	9 951 537	21,4%	4,7%
Deciduous and other fruit	7 700 546	16,6%	-4,1%
Viticulture	6 011 785	12,9%	9,8%
Subtropical fruit	2 827 579	6,1%	12,9%
Flowers and bulbs	776 521	1,7%	7,5%
Nuts	769 826	1,7%	0,0%
Dried fruit	358 427	0,8%	0,0%
Other horticultural products	90 949	0,2%	1,5%
Rooibos tea	49 616	0,1%	0,0%
Tea	-	0,0%	0,0%

Source: DALRRD, 2026

Table 2 summarises the real gross expenditure on intermediate goods and services for South Africa's agricultural sector in Q2_2026, indicating both the year-on-year change (Q2_2025 vs Q2_2026) and quarter-on-quarter change (Q1_2026 vs Q2_2026), based on the most recently available DALRRD release. Total intermediate expenditure for the quarter amounted to approximately R68.1 billion. Farm Feeds remained the single largest cost item, contributing R14.35 billion, or around 21.1% of total intermediate expenditure, although this category declined 8% year-on-year and a further 4% quarter-on-quarter, suggesting either lower feed usage or softer feed prices compared to a year ago. Farm Services was the second-largest category at R8.80 billion (12.9% share) and recorded strong growth of 6% year-on-year, along with a notable 50% surge quarter-on-quarter. Fertilisers followed closely at R8.61 billion (12.6% share) but declined 2% year-on-year and 4% quarter-on-quarter, in line with the softer trend seen in Farm Feeds.

Packaging Material (R7.50 billion, 11.0% share) recorded low growth of 2% year-on-year but recorded the highest quarterly growth of 89% from the previous quarter, indicating an increase in the seasonality of packaging material. Fuel recorded 5% growth year-on-year and 5% growth quarter-on-quarter and reached R6.13 billion (9.0% share). Animal Health & Crop Protection (R5.15 billion, 7.6% share) recorded 2% decline year-on-year but saw 37% increase quarter-on-quarter. Building & Fencing Material (R4.10 billion, 6.0% share) recorded the highest year-on-year growth among all categories at 10%, along with a quarterly growth of 50%. Maintenance & Repairs of Machinery & Implements (R3.97 billion, 5.8% share) recorded moderate growth of 2% year-on-year but saw a 25% decrease quarter-on-quarter, which is the highest quarterly decline for the period. Seeds & Plants (R2.99 billion, 4.4% share) declined 5% year-on-year and was flat quarter-on-quarter.

Table 2: RSA real gross expenditure on intermediate goods and services (Q2: 2025-2026 y/y and Q1_2026-Q2_2026 q/q % change)

Intermediate Goods and Services	Q2_2026 (R'000)	Y/Y % change (Q2: 2025 vs 2026)	Q/Q % change (Q1_2026 vs Q2_2026)
Farm Feeds	14 349 239	-8%	-4%
Farm Services	8 797 956	6%	50%
Fertilisers	8 612 831	-2%	-4%
Packaging Material	7 501 199	2%	89%
Fuel	6 132 805	5%	5%
Animal Health & Crop Protection	5 154 668	-2%	37%
Building & Fencing Material	4 095 961	10%	50%
Maintenance & Repairs of Machinery & Implements	3 971 654	2%	-25%
Seeds & Plants	2 991 257	-5%	0%
Insurance	2 847 534	5%	52%
Electricity	2 836 552	5%	2%
Water Tax	480 115	5%	1%
Land Tax	297 813	7%	-
Other	69 815	4%	16%

Source: DALRRD, 2026

Among the small components, Insurance (R2.85 billion, 4.2% share) and Electricity (R2.84 billion, 4.2% share) grew by 5%, while Insurance posted a huge increase of 52% quarterly. Water Tax and Land Tax, on the other hand, were small components at 0.7% and 0.4% respectively, growing at 5-7% year on year, and Other expenses amounted to only 0.1% of total expenses.

Overall, it can be said that the report depicts a somewhat mixed situation where the production factors (Farm Feeds, Fertilizers, and Seeds & Plants) have moderated their levels both year on year and quarter on quarter, while the services, packaging, and insurance expenses (Farm Services, Packaging Material, Building & Fencing, and Insurance) have surged sharply quarter on quarter.

4. Western Cape export and import performance

Table 3 illustrates the top 10 agricultural products being exported and imported by WC for Q2_2026. In Q2_2026, fresh fruit products dominate the top 10 products of the Western Cape export basket, led by fresh apples at R4.60 billion or 14.4% of the total export basket value. Fresh lemons and limes were the second-largest export product, at R3.99 billion or 12.5% of the basket, and the best-performing major product, up 77% year-on-year. Fresh or dried mandarins were third at R3.07 billion (9.6% share), although this was down 10% on the year. Maize recorded standout growth of 260% to reach R1.78 billion (5.6% share), the strongest growth of any top 10 export product. Wine of fresh grapes in containers of 2 litres or less held broadly steady (-1%) at R1.53 billion (4.8% share). Fresh pears and fresh oranges both declined, by 22% and 26% respectively, while frozen hake fillets (+16%) and fresh grapefruit (+29%) posted solid growth. Total exports registered growth of 9% (R31.99 billion) over the same quarter last year.

Table 3: WC agricultural exports and imports ranked by value and y/y (Q2: 2025 vs 2026)

Rank	HS#	Product Description	2026-Q2 (R'Million)	% share of total exports	Y/Y % change
EXPORTS					
1	080810	Fresh apples	4 595	14%	4%
2	080550	Fresh Lemons and limes	3 988	12%	77%
3	080521	Fresh or dried mandarins	3 071	10%	-10%
4	100590	Maize	1 782	6%	260%
5	220421	Wine of fresh grapes, in containers of <= 2 l	1 528	5%	-1%
6	080830	Fresh pears	1 257	4%	-22%
7	080510	Fresh or dried oranges	1 243	4%	-26%
8	030474	Frozen fillets of hake	1 039	3%	16%
9	080540	Fresh or dried grapefruit	892	3%	29%
10	120991	Vegetable seeds	699	2%	-3%
		Other	11 896	37%	2%
		Total	**31 990**	**100%**	
IMPORTS					
Rank	**HS#**	**Product Description**	**2026-Q2 (R'million)**	**% share of total imports**	**Y/Y % change**
1	310540	Ammonium dihydrogenorthophosphate	1 257	9%	166%
2	100199	Wheat and meslin	1 185	9%	33%
3	310210	Urea, whether or not in aqueous solution	874	7%	857%
4	220210	Waters	795	6%	43%
5	220820	Spirits obtained by distilling grape wine or grape marc	591	4%	23%
6	100630	Semi-milled or wholly milled rice	411	3%	-54%
7	220830	Whiskies	375	3%	-27%
8	240412	Products containing nicotine, intended for inhalation without combustion	373	3%	50%
9	151190	Palm oil and its fractions	298	2%	143%
10	050400	Guts, bladders and stomachs of animals	231	2%	-22%
		Other	6 970	52%	14%
		Total	**13 361**	**100%**	

Source: Quantec, 2026

On imports, total imports rose sharply to R13.36 billion, a total increase of 25% over last year. Fertiliser and agricultural input products dominated the increase: ammonium dihydrogen orthophosphate, the top import product at 9.4% of the basket, rose 166% year-on-year, while urea (6.5% share) surged more than eight-fold, pointing to strong input demand ahead of the planting season. Wheat and meslin imports (8.9% share) rose 33%, and bottled waters (6.0% share) rose 43%. Spirits obtained by distilling grape wine or grape marc (4.4% share) rose 23%, and palm oil and its fractions (2.2% share) rose 143%, continuing the trend of rising input and processed-food imports. On the other hand, imports of semi-milled or wholly milled rice fell by 54%, whiskies fell by 27%, and guts, bladders and stomachs of animals fell by 22%.

5. Conclusion

The Western Cape economy recorded a broad-based contraction of 0.2% in Q2_2026, in line with a similar contraction at the national level, following several quarters of steady growth through to Q1_2026. The slowdown was concentrated in Mining, Trade and Manufacturing, while Utilities, Construction, Transport and the services sectors continued to grow. In terms of sectoral composition, the Western Cape economy still has its strong Finance services sector, which holds a 32% share of provincial GDP.

The Western Cape's percentage contribution to national GDP was sustained at 14% in both Q2_2025 and Q2_2026, and the Western Cape remained the third largest provincial economy in the country after Gauteng and KwaZulu-Natal. Agricultural GDP in the province continued to grow in absolute terms, rising alongside a 3.4% national increase, while the Western Cape's share of national agricultural GDP held steady at around 20%. On trade, Western Cape agricultural exports grew by 9% year-on-year, led by fresh apples, lemons and limes, while imports rose more sharply (25%), driven by fertiliser and agricultural input products, a trend worth monitoring as it may reflect both rising input costs and resilient underlying agricultural production activity. Taken together, these trends point to a structurally sound services, based provincial economy that saw a temporary, broad-based setback in Q2_2026 after a sustained period of growth.

6. References

DALRRD, 2026. Agricultural Production Accounts. Pretoria: Department of Agriculture, Land Reform and Rural Development.

Quantec, 2026. Regional Services and Trade Data. Available at: https://www.easydata.co.za/dataset/RGDP/ [Accessed 8 September 2026].

StatsSA. 2026. Gross Domestic Product (GDP) Q2: 2026, Pretoria: Statistics South Africa.